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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/833,049	04/11/2001	Edward J. Hogan	AP33154-070457.1000	2377
21003	7590	03/23/2006		
BAKER & BOTTS 30 ROCKEFELLER PLAZA NEW YORK, NY 10112			EXAMINER GREENE, DANIEL L	
			ART UNIT	PAPER NUMBER
			3621	
DATE MAILED: 03/23/2006				

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	<b>Application No.</b>	<b>Applicant(s)</b>	
	09/833,049	HOGAN ET AL.	
	<b>Examiner</b>	<b>Art Unit</b>	
	Daniel L. Greene	3621	

**-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --**

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 22 June 2005.
- 2a) ☐ This action is FINAL.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-17 is/are pending in the application.
- 4a) Of the above claim(s) 17 is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-16 is/are rejected.
- 7) ☒ Claim(s) 1,5,9 is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |   |   |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)             | 4) <input type="checkbox"/> Interview Summary (PTO-413)                     |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)    | Paper No(s)/Mail Date. _____  |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| Paper No(s)/Mail Date _____   | 6) <input type="checkbox"/> Other: _____                                    |

## **DETAILED ACTION**

### ***Response to Arguments***

1. Applicant's arguments filed 2/17/2006 have been fully considered but they are not persuasive. The Applicant argues that the combination of Franklin and Rosen fails to disclose the requirement of the use of a service provider to mediate the transaction between the merchant and the issuer. The Examiner submits that Franklin teaches about the use of a service provider to mediate the transaction between the merchant and the issuer as suggested by the Payment Network **36**, Col. 4, lines 35-45 and Col. 5, lines 1-10.

A reference is to be considered not only for what it expressly states, but also for what it would reasonably have suggested to one of ordinary skill in the art. *In re DeLisle*, 160 USPQ 806 (CCPA 1969). The Examiner submits that the Payment Network **36** of Franklin is a service provider for the transaction between the merchant and the issuer. The Examiner further submits that, a recitation of the intended use of the claimed invention must result in a structural difference between the claimed invention and the prior art in order to patentably distinguish the claimed invention from the prior art. If the prior art structure is capable of performing the intended use, then it meets the claim.

### ***Claim Objections***

Claims 1, 5 and 9 are objected to because of the following informalities: There are different wordings in the 2/17/2006 claims that are not highlighted as changes from the 6/22/2005 claims. One example is : Claim 1 as of 6/22/2005 reads " ... the first

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payment account number has a first identification number associated...", Claim 1 as of 2/17/2006 reads " ... the first payment account number has a first-service provider identification number..." Note: service provider is added without indication there of. Appropriate correction is required.

### ***Election/Restrictions***

Newly submitted claim 17 is directed to an invention that is independent or distinct from the invention originally claimed for the following reasons: Claim 17 discloses a cardholder memory device and a cardholder processor that has a distinct class i.e. 713 and subclass i.e. 187 that is directed toward a smart card application versus the original network directed application. The Examiner submits that the use of a smart card versus a network to conduct a transaction adds another dimension to the application i.e. cardholder processor and is distinct from a network directed application. The unique dimension added is disclosed in the Chan et al. Patent US 6,005,942 incorporated here as reference..

Since applicant has received an action on the merits for the originally presented invention, this invention has been constructively elected by original presentation for prosecution on the merits. Accordingly, claim 17 is withdrawn from consideration as being directed to a non-elected invention. See 37 CFR 1.142(b) and MPEP § 821.03.

***Claim Rejections - 35 USC § 103***

1. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

2. Claims 1-16 are rejected under 35 U.S.C. 103(a) as being unpatentable over Franklin et al. U.S. Patent 6,000,832 [Franklin], and further in view of Rosen U.S. Patent 6,205,436 [Rosen]

3. As per claim 1:

4. Franklin discloses:

(a) receiving by a service provider other than an issuer of the payment account a first authorization request for the authorization of a transaction using a first payment account number, wherein:

(i) the first payment account number has a first identification number associated with the service provider other than the issuer and is associated with a second payment account number having an issuer identification number associated with the issuer, said second payment account number not being included in said first authorization request; Col. 6-7, lines 1-67.

(ii) the first authorization request includes a first acquirer code associated with an acquirer; Col. 11, lines 38-45.

(iii) the first authorization request is routable through the payment network to the service provider based on said first identification number; Col. 11, lines 50-67.

Franklin discloses the claimed invention except for the responsive to the first authorization request, transmitting by the service provider a second authorization request for authorization of the transaction using the second payment account number, the second authorization request including a second acquirer code associated with the service provider and being routable through the payment network to the issuer based on said issuer identification number. Rosen teaches that it is known in the art to provide a response to the first authorization request, transmitting by the service provider a second authorization request for authorization of the transaction using the second payment account number, the second authorization request including a second acquirer code associated with the service provider and being routable through the payment network to the issuer based on said second identification number. Col. 17, lines 52-67, Col. 18, lines 1-67. It would have been obvious to one having ordinary skill in the art at the time the invention was made to provide the interactions between the issuer and acquirer in a credit card type transaction with the responsive to the first authorization request, transmitting by the service provider a second authorization request for authorization of the transaction using the second payment account number, the second authorization request including a second acquirer code associated with the service provider and being routable through the payment network to the issuer based on said second identification number of Franklin, in order to further clarify the transaction protocol disclosed by Franklin.

Franklin further discloses:

(c) receiving from the issuer a response to the second authorization request by the service provider, the response including the second acquirer code and being routable through the payment network based on that code; Col. 12, lines 1-30.

(d) transmitting from the service-provider to the acquirer a response to the first authorization request received by the service provider based on the response to the second authorization request received by the service-provider from the issuer, the response to the first authorization request including the first acquirer code and being routable through the payment network based on that code. Col. 12, lines 10-35.

As per claim 2:

Franklin further discloses:

wherein said response to the second authorization request from the issuer further includes said second payment account number, and said response to the first authorization request by the service provider further includes said first payment account number. Col. 11, lines 25-67.

As per claim 3:

Franklin further discloses:

wherein said first authorization request comprises a message authentication code including transaction data, and said request is formatted with a standard track

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having a plurality of fields including a discretionary field in said message authentication code is placed. Col. 9, lines 59-67

As per claim 4:

Franklin discloses the claimed invention except for the wherein said service provider verifies the .message authentication code. Rosen teaches that it is known in the art to provide a wherein said service provider verifies the .message authentication code. Col. 21-22, lines 1-67. It would have been obvious to one having ordinary skill in the art at the time the invention was made to provide the transaction verifications between the intermediate entities of Franklin with the wherein said service provider verifies the message authentication code of Rosen, in order to provide another intermediary during the transaction.

As per claim 5:

Franklin discloses:

(a) generating a message authentication code based on one or more transaction details; Col. 5, lines 23-50.

(b) transmitting at least the first payment accounts number and the message authentication code to the merchant; Col. 9, lines 12-67.

(c) Franklin discloses the claimed invention except for requesting by the merchant an authorization for payment of the transaction using the first payment account number, the request being formatted as if payment were tendered at a point-of-sale terminal with



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a conventional magnetic-stripe payment card, the format having a with at least a discretionary data field and said message authentication code being fitted in said discretionary data field. However, Franklin does disclose the point of sale Payment concept. Col. 42-42, lines 1-67. It would have been obvious to one having ordinary skill in the art at the time of the invention was made to requesting by the merchant an authorization for payment of the transaction using the first payment account number, the request being formatted as if payment were tendered at a point-of-sale terminal with a conventional magnetic-stripe payment card, the format having a with at least a discretionary data field and said message authentication code being fitted in said discretionary data field since it is known in the art that at point of sale transactions, credit cards provide via the magnetic stripes, the required information identifying the user .

(d) Franklin discloses the claimed invention except for the responsive to the first authorization request, transmitting by the service provider a second authorization request for authorization of the transaction using the second payment account number, the second authorization request including a second acquirer code associated with the service provider and being routable through the payment network to the issuer based on said second BIN code. Rosen teaches that it is known in the art to provide a response to the first authorization request, transmitting by the service provider a second authorization request for authorization of the transaction using the second payment account number, the second authorization request including a second acquirer code associated with the service provider and being routable through the payment network to

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the issuer based on said second BIN code. Col. 17, lines 52-67, Col. 18, lines 1-67. It would have been obvious to one having ordinary skill in the art at the time the invention was made to provide the interactions between the issuer and acquirer in a credit card type transaction with the responsive to the first authorization request, transmitting by the service provider a second authorization request for authorization of the transaction using the second payment account number, the second authorization request including a second acquirer code associated with the service provider and being routable through the payment network to the issuer based on said second BIN code of Franklin, in order to further clarify the transaction protocol disclosed by Franklin.

(e) accepting or declining the authorization request for the first payment account based on the response to the authorization request for the second payment account and the message authentication code, wherein said first and second payment account numbers include respective service provider and issuer identification numbers, wherein a service provider other than the issuer receives said merchant's request through a payment network based on said service provider identification number, and wherein said service provider generates said request for authorization of payment using the second payment account number and routes said request to said issuer through said network based on said issuer identification number. Col. 17-18, lines 1-67.

As per claim 6:

Franklin further discloses:

wherein said first and second payment account numbers include respective first and second identification number, the first associated service provider and the second associated with an issuer of the second payment account; said service provider receiving said merchant's request through a payment network based on said identification number, and wherein said service provider generates said request for authorization of payment using the second payment account number and routes said request to said issuer through said network based on said second identification number. Col. 11-12, lines 1-67.

As per claim 7:

Franklin further discloses:

wherein said service provider includes in said request for authorization for payment an acquirer code associated with said service provider, such that said response from said issuer is routed back to said service provider. Col. 11, lines 39-67.

As per claim 8:

Franklin further discloses:

wherein said request by said merchant includes an associated merchant acquirer code, and wherein said service provider generates a message on said accepting or

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declining step and routes that message to said associated merchant acquirer code.

Col. 11, lines 39-67.

As per claim 9:

Franklin discloses:

issuing by an issuer having an issuer identification number , a first payment account number to a user having a computer, said issuer identification number being associated with said first payment account number; Col. 6, lines 24-67.

providing a security module for generating a secret key unique to each first account number issued; Fig. 2, **50**

generating a second account number associated with said first payment account; Col. 7, lines 25-67.

providing a secure payment application by a service provider to said computer, said application comprising said second account number and said secret key; Col. 7, lines 25-67.

storing said secure payment application on said computer; Col. 7, lines 25-67.

selecting a merchant with whom to conduct said financial transaction, said merchant having an associated acquirer identification number; Col. 11, lines 1-67.

passing to said computer transaction data; Col. 11, lines 1-67.

computer generating a message authentication code based on said transaction data; Col. 12, lines 1-29.

transmitting track data in standard track image format to said merchant, said track data comprising said computer generated message authentication code and said second account number, wherein said computer generated message authentication code is directly positioned in the discretionary data field of the standard track image format; Col. 12, lines 1-25.

generating a first authorization request based on said data; Col. 9, lines 12-67.

transmitting said first request to said service provider; Col. 11, lines 25-67.

verifying said first request with said secret key; Col. 12, lines 1-15.

obtaining said first payment account number associated with said second account number; Col. 12, lines 30-67.

transmitting a second authorization request using said first payment account number to said issuer identification number associated with said first payment account number; Col. 11-12, lines 1-67.

authorizing or rejecting said second request. Col. 12, lines 1-35.

As per claim 10:

Franklin further discloses:

wherein said track data comprises a discretionary data field, an account number field, and an expiration date field, and wherein said fitting track data step further includes; Fig. 4-6 and associated explanations.

placing said message authentication data in said discretionary data field; placing said second account number in said account number field; and placing an expiration date in said expiration date field. Fig. 4-6 and associated explanations.

As per claim 11:

Franklin further discloses:

wherein said transaction data include said associated acquirer BIN, and a transaction amount. Col. 11, lines 30-40.

As per claim 12:

Franklin further discloses:

wherein said verifying step further includes verifying said transaction data. Col. 11, lines 50-67.

As per claim 13:

Franklin further discloses:

wherein said second authorization request includes an acquirer code associated with said service provider, and further comprising the steps of;

generating a message based on said authorizing or rejecting step; Col. 12, lines 1-25.

forwarding said message to said service provider based on said acquirer code;

Col. 12, lines 1-25.

and using said merchant's associated acquirer identification number to advise said merchant of said message. Col. 12, lines 1-25.

As per claim 14:

Franklin discloses:

receiving data related to said transaction from said merchant; for example Col. 9, lines 17-30

computing a message authentication code based on said data related to said transaction; For example Col. 9, lines 48-58.

and transmitting said track image, including said message authentication code, over said payment network, without first storing said message authentication code on a magnetic stripe of a payment card. For example Col. 11, lines 25-40.

placing said message authentication code in a portion of the discretionary data to form a track image; for example Col. 10, lines 12-67.

Franklin does not expressly show placing said message authentication code in a portion of the discretionary data field of a standard payment card magnetic stripe track format to form a track image. Franklin does disclose placing said message authentication code in a portion of the discretionary data field to form a track image; for example Col. 10, lines 12-67.

However these differences are only found in the nonfunctional descriptive material and are not functionally involved in the steps recited. The placing said message authentication code in a portion of the discretionary data field to form a track image steps would be performed the same regardless of where the message authentication code was placed. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability, see *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); *In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994).

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to place the message authentication code into a credit card-like format be it over the internet or on a magnetic stripe because such placement does not functionally relate to the steps in the method claimed and because the subjective interpretation of the data does not patentably distinguish the claimed invention.

As per claim 15:

Franklin further discloses:

wherein said computing a message authentication code is further based on a transaction sequence number. For example Col. 5, lines 22-35, Col. 9, lines 38-45.



As per claim 16:

Franklin further discloses:

wherein placing said message authentication code in a portion of the discretionary data field further includes inserting at least a portion of said transaction sequence number in a portion of the discretionary data field of said track image, and wherein transmitting said track image further includes transmitting said at least a portion of said transaction sequence number over said payment network. For example Fig. 5 and 6, Col. 10, lines 10-67.

Examiner's Note: Examiner has cited particular columns and line numbers in the references as applied to the claims below for the convenience of the applicant.

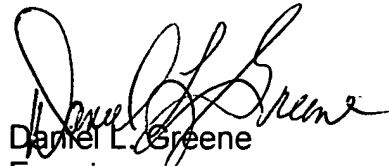
Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested from the applicant, in preparing the responses, to fully consider the references in entirety as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the examiner.

**Conclusion**

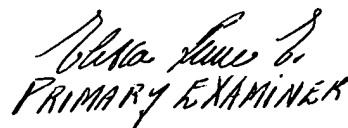
Any inquiry concerning this communication or earlier communications from the examiner should be directed to Daniel L. Greene whose telephone number is 571-272-6707. The examiner can normally be reached on M-Thur. 8am-6pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James P. Trammell can be reached on 571-272-6712. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

  
Daniel L. Greene  
Examiner  
Art Unit 3621

3/2/2006

  
PRIMARY EXAMINER